

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK RATIONALIZATION
SERVICE CHANGES, 2011

Docket No. N2012-1

**UNITED STATES POSTAL SERVICE
NOTICE OF FILING OF ERRATA
TO RESPONSE OF WITNESS EMILY ROSENBERG
TO COMMISSION INFORMATION REQUEST No. 1 QUESTION 6
[ERRATA]
(June 5, 2012)**

The United States Postal Service hereby gives notice that it is re-filing today the response of witness Emily Rosenberg to Question 6 of Commission Information Request No. 1, in order to include the two Excel spreadsheets referenced in (but inadvertently omitted from) her combined response to Questions 6(b) and (c) filed yesterday.

The June 4 response to parts (b) and (c) of Question 6 refers to the following two Excel spreadsheets as follows:

“Total FTE Calculations for CIR1.Q6.Direct Testimony.xls” and

“Total FTE Calculations for CIR1.Q6.Supplemental Testimony.xls”.

It turns out that both file names are too long for electronic filing. Accordingly, each has been abbreviated in the revised response to Question 6 filed today, respectively as follows:

“Total.FTE.Calc.CIR1.Q6.Direct.T.xls” and

“Total.FTE.Calc.CIR1.Q6.Supp.T.xls”.

Electronic copies of both spreadsheets accompany the electronic filing of this notice. For the sake of completeness, the electronic Excel workbook that accompanied

the response to Question 6(a) yesterday has also been attached to the revised response to Question 6 filed today, without change.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Anthony F. Alverno, Jr.
Chief Counsel, Global Business

Michael T. Tidwell

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2998; Fax -5402
June 5, 2012

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ROSENBERG
TO COMMISSION INFORMATION REQUEST NO. 1**

Revised June 5, 2012

6. The Modified Plan explains that network consolidations will lead to a reduction in workforce of up to 28,000 employees.
- a. Please provide workpapers that demonstrate how the 28,000 employee reduction was calculated, disaggregated between phase one and phase two of the Modified Plan.
- b. Please confirm that this estimate is consistent with the employee reductions assumed at the outset of Docket No. N2012-1.
- c. Please reconcile the 28,000 employee reduction with the revised cost savings estimates provided at the May 9, 2012 hearing.

RESPONSE

- (a) Please see the attached Excel workbook "SavingsEstimate_IntraSCF.xls." The workbook contains Phase II high-level expected workforce reductions. This analysis was completed using preliminary estimates complement data from September 2011. The proposed complement was calculated using high level assumptions about the workload at the gaining site and productivities provided by subject matter experts. The 28,000 estimate can be attained by summing cells E:467 – H:467 on the worksheet entitled, "Required Complement by Node". On the "Costing" worksheet, cell D:38 illustrates how the Phase I estimate was derived. The Phase I complement impact was approximated by dividing the estimated percentage savings from Phase I of the Total Phase I/Phase II savings. This percentage was then applied to the 28,000 to generate the Phase I estimate of 13,000.
- (b-c) The FTE savings for clerks, mail handlers, maintenance and vehicle driver craft employees based on witness Bradley's direct testimony, USPS-T-10, is 23,153 as per the spreadsheet NPMHU-USPS-T10-12.Revised.3.15.xls, which was

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ROSENBERG
TO CHAIRMAN'S INFORMATION REQUEST NO. 1**

Revised June 5, 2012

RESPONSE to Question 6 (continued)

attached to the Revised Response of USPS Witness Smith to NPMHU/USPS-T10-12 Redirected from Witness Bradley (March 16, 2012). Based on that spreadsheet, the attached spreadsheet, "Total.FTE.Calc.CIR1.Q6.Direct.T.xls" reflects the total savings associated with witness Bradley's direct testimony, USPS-T-10, by adding FTE reductions for carriers (567.0) and managers/supervisors (2,168.3) for a total of 25,888. The FTE savings based on witness Bradley's supplemental testimony (USPS-ST-4) is 22,737. This is provided in the additional attached spreadsheet, "Total.FTE.Calc.CIR1.Q6.Supp.T.xls", which is the same as the spreadsheet for the Direct Testimony FTE calculation, except that it is updated with Supplemental Testimony inputs on savings.

Because senior postal management regards the savings estimates filed in this case to be conservative, it has established an operating goal moving forward of exceeding that number of FTE reductions as it achieves full-up implementation. Postal management's operating goal for the full-up environment translates into about a reduction of about 28,000 FTEs. Thus, the FTE savings estimates cited above is not identical to, but is within the "up to 28,000" range reflected in the press release.